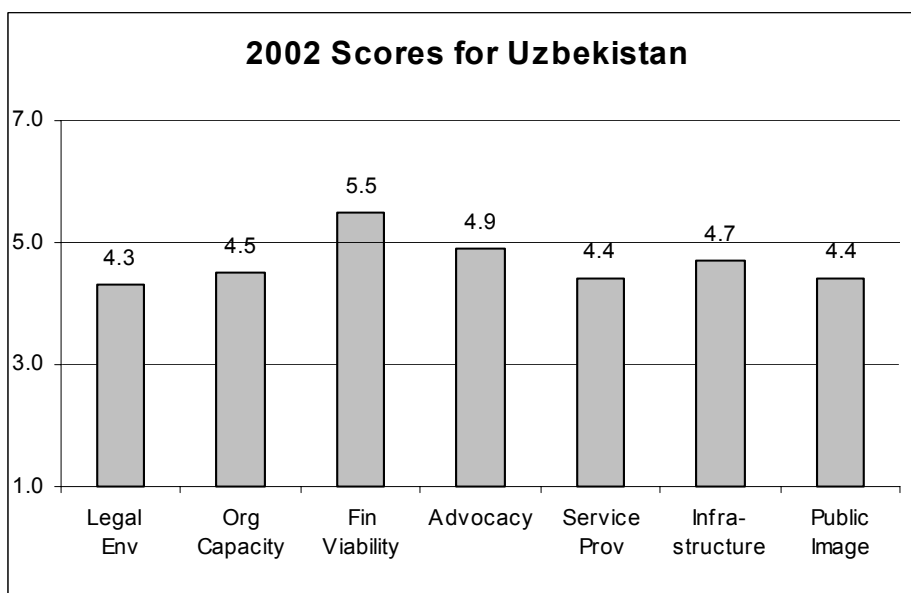


UZBEKISTAN



Capital:
Tashkent

Polity:
Presidential
(dominant party)

Population:
25,563,441

**GDP per capita
(PPP):** \$2,500

NGO SUSTAINABILITY: 4.7

NGO SUSTAINABILITY

2002	4.7
2001	4.6
2000	5.1
1999	5.3
1998	4.7

The overall sustainability of the NGO sector in Uzbekistan remained fairly stable in 2002. Minor improvements in the legal environment and relationships with the government were tempered by

the deterioration in the economic situation and frustrations with the slow pace of democratic reforms.

Over the past year, NGOs were quite active in developing partnerships and delivering services in cooperation with local governments. Additionally, in the spring session of Parliament, President Karimov called for a stronger civil society, stronger NGOs, and support from the government for social partnerships with NGOs. As a result, the government, media, and general population now pay more attention to the third sector.

As the result of government efforts in 2001 to educate regional Ministry of Justice (MOJ) officials on the NGO law and the role of NGOs, local and regional officials are less ignorant than in the past. Nonetheless, while many local governments do work more with NGOs, there remain tendencies by some local officials to try to control and coordinate NGO activities.

While the NGO community is diverse, those organizations supporting women's rights, health care, and environmental issues have been especially effective, largely because their themes echo those supported by the government and donors. Self-censorship is present in the NGO community and amongst the media as well. Most NGOs are weak in constituency building and often are led by a few dynamic personalities. NGOs tend to be small, dependent upon foreign donors for financial sustainability, and not transparent in either their governance or their finances.

The past year has witnessed a substantial growth of NGO activity in regions outside of Tashkent. Geographically, the majority of NGOs are still located in Tashkent, Nukus, Samarkand, Ferghana Valley, and Bukhara; but, surprisingly, the remote southern regions of Kashkadaryo, Surkhandaryo and Khorezm witnessed significant growth in the NGO sector recently. NGOs and other grassroots initiative groups are also beginning to emerge in truly rural areas. In Karakalpakstan, the NGO community continues to be very active, and the Karakalpakstan government is very supportive of NGO activities.

NGOs outside of the capital continue to be freer of government control and have more developed constituencies. Organizations

which are active in politically sensitive areas, such as human rights, continue to face harassment, but in 2002 some were finally registered. For example, the Independent Human Rights Organization of Uzbekistan was registered as a republican NGO, while local chapters of it and other human rights organizations have been able to register at the local level.

In the past, some elements within the government viewed foreign support for NGOs with suspicion. Now they see such grants as something they should have a role in "coordinating" or controlling.

LEGAL ENVIRONMENT: 4.3

The legal environment improved somewhat during 2002. During the spring session of Parliament, President Karimov made a speech supporting NGOs and the need for new NGO legislation. Groups of NGOs are

LEGAL ENVIRONMENT	
2002	4.3
2001	4.4
2000	5.4
1999	6.0
1998	5.6

now involved in the discussions and development of four new laws for NGOs within the Parliament: a new Law on Public Foundations, a new Law on Guarantees and

Support to NGOs, a new Law on Charity, and a new version of the Law on Public Associations. If passed, these legislative acts will provide a better basis for the development of civil society and local philanthropy in Uzbekistan.

Politically, NGOs express self-censorship, dealing only with those themes that are viable from a government perspective. While violations of human rights in Uzbekistan have not directly affected NGOs, they certainly limit the ability of NGOs to act as open advocates for political change.

Tax breaks for NGOs do exist for NGOs not engaged in commercial activity. Recent decrees and resolutions of the Cabinet of Ministers introduced several additional privileges for Homeowners Associations. Micro-credit organizations also received several privileges after an advocacy campaign of interested parties, including local NGOs and international donors.

ORGANIZATIONAL CAPACITY: 4.5

Few organizationally sophisticated NGOs exist in Uzbekistan. Too often the missions

ORGANIZATIONAL CAPACITY

2002	4.5
2001	4.8
2000	5.3
1999	5.5
1998	4.2

and goals of local organizations are based on the objectives and missions of the international donor community. Most NGOs lack adequate strategic

planning and base most of their activity on the whims of donors. Strategic decisions are made by NGOs with the assistance of donors.

Boards of directors and broad-based volunteerism are developing slowly. Too often charismatic and dynamic personalities dominate NGO leadership, who sometimes

can be inflexible and resistant to transparency and sharing control of the organization with a board. Accountability and governance are the main challenges to constituency building.

A handful of NGOs retain permanent paid staff. Most staff is dependent on the availability of donor assistance. When no donor funds are available, most NGOs work without staff.

This past year more rural NGOs emerged. These NGOs are more dependent on constituency support, thus they better reflect the needs of the community. Their development is encouraging, as a majority of Uzbekistan's population lives in rural areas. Volunteers in these areas are abundant and eager.

FINANCIAL VIABILITY: 5.5

The overall decline in the economic situation has clearly impacted NGO financial viability. Local donors are rare, but, ironically, their number has increased during the past year as NGOs become more prominent in society

FINANCIAL VIABILITY

2002	5.5
2001	5.1
2000	5.5
1999	5.5
1998	4.4

and the media. Because of the economic situation, however, this support is more often in-kind than in cash.

The lack of currency convertibility and poor laws related to taxation

strain the financial viability of NGOs in Uzbekistan. The lack of currency convertibility also limits financial transparency of organizations, many of which receive grants in

dollars from foreign donors, even though this is technically illegal.

In a few instances, the government has given NGOs grants for specific projects. It is also possible for NGOs to generate income by charging fees-for-services, and some more mature NGOs have become financially independent as a result. However, too many organizations are hesitant to develop such activities. With a few notable exceptions, NGOs in Uzbekistan are entirely dependent on international donor assistance.

In addition, there are more new NGOs competing for donor assistance. This, coupled with the deterioration in the economy, means that for most NGOs financial viability is increasingly difficult.

ADVOCACY: 4.9

ADVOCACY	
2002	4.9
2001	5.1
2000	5.2
1999	5.5
1998	4.6

To a greater extent, NGOs in Uzbekistan are promoting their causes through advocacy campaigns. In 2002 national and local government officials became more receptive to working with NGOs.

Although advocacy is still limited at the national level, a coalition of NGOs is working with the Parliament and government on a new draft of the Law on Charities. Groups of NGOs also are now involved in the discussions and development of three other new laws for NGOs within the Parliament: a new Law on Public Foundations, a Law on Guarantees and Support to NGOs, and a new version of the Law on Public Associations.

NGOs have also become more active in their advocacy at the local level. In many regions of the country NGOs successfully engaged in community planning processes and implemented projects with the support and participation of local governments. One example of a very successful advocacy campaign was in Kokand, where a local NGO advocated on behalf of hearing- and speech-impaired children and got the local government to provide free transportation for students attending sign language classes provided by the NGO. The classes themselves are provided by the NGO as a result of a community planning process.

Only the most developed NGOs are involved in advocacy efforts. In addition, there is not sufficient training on the practical implementation of advocacy campaigns.

SERVICE PROVISION: 4.4

SERVICE PROVISION	
2002	4.4
2001	4.0
2000	4.5
1999	4.5

Civic organizations continued to strengthen their ability to provide quality services to clients. As NGOs become more engaged in rural communities and mahallas (neighborhoods), they have become increasingly responsive to the needs of their communities, and learned to plan

their activities strategically to meet the needs of constituents.

Local government acceptance of NGOs as service providers has dramatically improved.

Local authorities have begun to realize that community based organizations ultimately strive to improve the lives of citizens, and are increasingly listening to NGOs' analysis of community problems and proposals for community programs.

Access to training opportunities and responsiveness to community needs are factors augmenting the ability of NGOs to provide services to their communities. However, because of the overall economic situation, there are fewer opportunities to market these services for most NGOs, meaning that most NGOs continue to be dependent on international donors.

INFRASTRUCTURE: 4.7

A network of NGO support centers now exists in seven regional capitals. These Centers provide training seminars, technical

INFRASTRUCTURE

2002	4.7
2001	4.6
2000	5.0
1999	5.0

support, information resources, networking opportunities, and professional services to NGOs and associations. The importance of

these centers cannot be minimized. For example, the number of NGOs in Samarkand province tripled (from thirty to ninety) in the last year since the opening of the Civil Society Support Center in Samarkand

The number and quality of trainers has improved in the past year. A new cadre

of Uzbek speaking trainers is also emerging. Training materials in the Karakalpak language are still lacking. Few NGOs implement activities to bolster their technical capacity, rather, they perform services to attract donor attention and potential funding.

Coalitions and networks are emerging in some sectors in the NGO community. However, few NGOs desire partnerships with others in an atmosphere of scarce donor resources. Scarcity of grants has led to increased competition and suspicion between NGOs. Coalitions are not typical, although some efforts to create coalitions in certain sectors (i.e. gender, environment) have emerged during the past year.

PUBLIC IMAGE: 4.4

Press coverage truly bolstered the public image of NGOs over the past year.

PUBLIC IMAGE

2002	4.4
2001	4.5
2000	4.8
1999	5.0
1998	4.8

However, some perceptions remain that many NGOs simply exist to attract large donor grants.

Previously, NGOs would have to pay bribes to journalists to attract publicity. This practice has now ceased and journalists, especially those with independent TV stations,

regularly cover NGO events in the capital city and in the regions. As service provision and trainings increase, the public image of NGOs in the country only stands to improve.

Organizations are publishing more materials that are available to the public, thereby increasing their public stature. Nonetheless, there continue to be many mutual misperceptions between NGOs and government officials.